

No.1/15/2013/Fin(Bud)  
Government of Goa,  
Finance Budget Department,  
Secretariat,  
Porvorim-Goa.

Dated:-03/09/2013

**C I R C U L A R**

Sub:-Accounting procedure for payment of Interest  
on Consumers Security Deposit.

In terms of Section 47(4) of the Electricity Act, 2003 and as specified in Regulation 25, of J.E.R.C. Tariff Regulation 2009 which is incorporated under para 7 of J.E.R.C. Order on A.R.R. and Tariff petition for Electricity Department, Goa Electricity Department should pay interest on consumers security deposit held by them as at the end of financial year 2011-2012 and 2012-2013 at the applicable bank rate of 6% for financial year 2011-2012 and at the bank rate of 9.5% for the financial year 2012-2013 effective from 1<sup>st</sup> April, 2012.

For streamlining the payment of interest on consumer Security deposit, the following accounting procedure is laid down for strict compliance.

1. All the Divisional Officers of the Electricity Department holding security deposit of consumers on which interest is payable to the consumers under para 7 of the Tariff Order should compile the details of amount of consumers security deposit held as on 31-03-2012 and 31-03-2013 and propose transfer entry through their respective monthly account for transferring this amount by giving (minus Credit) to Budget 8443/00/108/03/00 where the amount is accounted and crediting the same to Budget Head 8336 – Civil Deposits, 00-, 800 – Other deposits, 10 – Deposits of Electricity Consumers.
2. With effect from the date of issue of this circular all the Divisional Officers should ensure that consumer's security deposit on which interest is payable is correctly accounted under Budget Head 8336 – Civil deposits, 00-, 800 – Other deposits, 10 – Deposit of Electricity Consumers.



3. The Finance Department will open a new unit of appropriation for accounting payment of interest on security deposits of the consumers as shown below:-

Demand No. A - 2

2049 - Interest Payments

60 - Interest on Other obligation

101 - Interest on Deposits

10 - Interest on Consumers Security Deposits

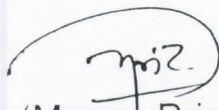
45 - Interest (charged)

4. After the issue of this circular i.e. with effect from the financial year 2013-2014, the Divisional officers of the Electricity Department will furnish the requirement of funds at two stages i.e. (1) at the time of preparation of budget for projecting the tentative requirement of funds to be provided in R.E. 2013-2014 and B.E. 2014-2015 which will be compiled and forwarded to A C & D Section, Directorate of Accounts by the Accounts Section of office of the Chief Electrical Engineer for making budget provision for payment of interest and (2) in the month of March after calculating the actual amount of interest payable to the consumers, which will be compiled and forwarded to AC & D Section, Directorate of Accounts to propose adjustment transfer entry debiting 2049 and crediting 8336. Based on the information furnished by Electricity Department. A.C. & D Section will propose adjustment transfer entry debiting 2049 and crediting 8336, under intimation to the Electricity Department.
5. For payment of interest on consumer Security Deposit for the Financial Year 2011-2012 and for the financial year 2012-2013, the Divisional Officers of the Electricity Department shall calculate the total amount of interest payable to the consumers as on 31-03-2012 and as on 31-03-2013 separately and submit the same to the Accounts Section of Office of the Chief Electrical Engineer. The Account section, Electricity Department will compile the total figure of all the Divisions as on 31-03-2012 and as on 31-03-2013 and forward the



consolidated figure to A C & D section, Directorate of Account for making provision by way of supplementary grants for the year 2013-2014, under the above new Budget head i.e. 2049/60/101/01/45 – Interest (Charged). Based on the information furnished by Electricity Department, A C & D section will propose adjustment transfer entry debiting 2049 and crediting 8336, under intimation to the Electricity Department.

6. After receipt of intimation from A C & D Section, Directorate of Accounts that the adjustment transfer entry debiting 2049 and crediting 8336 has been proposed, the Divisional Officers from the Electricity Department will have to adjust the amount of interest portion by giving minus credit to M.H. 8336/00/800/10 and credit to M.H. 0801/05/101/01 by offering credit to consumption bills of May/June each year by proposing transfer entry through the monthly account of the Division. It should also be ensured that in all cases where the amount of interest to be shown as credit in the individual consumers bill for May/June exceeds `5,000/-, 10% Income Tax is deducted at source under Section 194(A) of the Income Tax Act and credited to Budget Head 8658 – Suspense Account, 112 – Tax deducted at Source (iii)- T.D.S. Suspense (Income Tax) by proportionately reducing the credit to M.H. 0801/05/101/01.



(Meena Priolkar)

Under Secretary Finance (Budget-I)